

**\*\*\*EMBARGOED UNTIL DELIVERY\*\*\***

**REMARKS AS PREPARED FOR DELIVERY**

**Mayor Vincent C. Gray  
State of the District Address  
February 5, 2013**

GOOD EVENING, FRIENDS AND COLLEAGUES, REVEREND ANTHONY, RABBI PERLO, LADIES AND GENTLEMEN.

AND GREETINGS TO OUR OUTSTANDING CONGRESSWOMAN, ELEANOR HOLMES NORTON; CHAIRMAN PHIL MENDELSON AND THE OTHER MEMBERS OF THE COUNCIL OF THE DISTRICT OF COLUMBIA; MEMBERS OF THE DISTRICT'S JUDICIARY; FORMER MAYOR ANTHONY WILLIAMS, ADVISORY NEIGHBORHOOD COMMISSIONERS; AND OTHER LEADERS FROM ACROSS OUR GREAT CITY. IT'S A GREAT HONOR TO HAVE YOU HERE WITH US THIS EVENING.

AND TO THE GOOD PEOPLE OF THE SIXTH AND I HISTORIC SYNAGOGUE, THANK YOU FOR PROVIDING US WITH THIS WONDERFUL VENUE FOR THE SECOND YEAR IN A ROW. I ABSOLUTELY LOVE THE SYMBOLISM OF THIS SITE, BECAUSE IT IS A PLACE WHERE THE DISTRICT'S RICH AND DIVERSE COMMUNITIES MEET – REGARDLESS OF AGE, ETHNICITY, FAITH, OR POLITICAL PARTY – COMING TOGETHER TO ENRICH THE INTELLECTUAL, SPIRITUAL, AND CULTURAL FABRIC OF OUR INCREASINGLY VIBRANT CITY.

THIS HISTORIC BUILDING IS ALSO A SYMBOL OF HOW OUR CITY'S RICH PAST AND PROMISING FUTURE COME TOGETHER. AND, INDEED, OUR FUTURE IS PROMISING.

SPEAKING OF SYMBOLS, OUR EXPERIENCE OVER THE PAST FOOTBALL AND BASEBALL SEASONS

SYMBOLIZES JUST HOW WELL THINGS ARE GOING IN THE DISTRICT OF COLUMBIA.

OVER THE PAST YEAR, BOTH OUR BASEBALL AND FOOTBALL TEAMS HAD BREAKTHROUGH SEASONS – AND HAVE BECOME GREAT EXAMPLES OF TEAMS COMING INTO THEIR OWN. BOTH TEAMS SHOWED SUSTAINED EXCELLENCE AND BRILLIANCE THAT GOT THEM TO POSTSEASON PLAY – FOR THE FIRST TIME IN FRANCHISE HISTORY FOR THE NATIONALS, AND FOR THE FIRST TIME IN WHAT SEEMED LIKE AN ETERNITY FOR OUR FOOTBALL TEAM.

AND JUST AS THESE GREAT PROFESSIONAL TEAMS ARE GETTING THINGS DONE AND MAKING US PROUD, SO TOO IS THE DISTRICT OF COLUMBIA MAKING BIG THINGS HAPPEN IN THE COMPETITION BETWEEN GREAT GLOBAL CITIES.

AS WE GATHER HERE THIS EVENING, LET'S PONDER JUST A FEW OF THE WAYS THE DISTRICT IS PROVING WE ARE A BIG-LEAGUE CITY:

OUR CITY IS SAFER THAN IT HAS BEEN IN DECADES, WITH MURDERS AT A 51-YEAR LOW.

WE ARE GROWING MORE QUICKLY THAN WE HAVE IN DECADES, WITH MORE THAN 30,000 NEW RESIDENTS IN THE LAST TWO YEARS – A GROWTH RATE OF MORE THAN 1,100 NET NEW RESIDENTS PER MONTH. THIS GIVES THE DISTRICT THE LARGEST POPULATION WE'VE HAD SINCE THE 1970S! AND THAT GROWTH SHOWS NO SIGN OF STOPPING. THE DISTRICT HAS JUST 11 PERCENT OF THE REGION'S POPULATION – BUT OVER THE LAST TWO YEARS, WE'VE HAD 54 PERCENT OF THE REGION'S HOUSING STARTS!

THE DISTRICT IS BOOMING WITH NEW BUSINESSES, NEW DEVELOPMENT AND NEWLY REVITALIZED NEIGHBORHOODS. ALL THIS ECONOMIC ACTIVITY HAS CREATED 28,000 NEW PRIVATE-SECTOR JOBS IN THE PAST TWO YEARS.

WE ARE ALSO MAKING MAJOR PROGRESS ON MY GOAL OF BECOMING THE GREENEST, HEALTHIEST, MOST LIVABLE CITY IN THE NATION THROUGH MY SUSTAINABLE DC INITIATIVE. AND IN JUST A FEW WEEKS, WE WILL ROLL OUT OUR AMBITIOUS, FORWARD-THINKING PLAN TO MAKE THE SUSTAINABLE DC VISION A REALITY.

WE AREN'T THE ONLY ONES WHO HAVE NOTICED THE DISTRICT IS HITTING GRAND SLAMS RIGHT NOW. IN FACT, OVER THE LAST COUPLE OF YEARS WE'VE BEEN RANKED IN THE TOP SPOTS ON A NUMBER OF LISTS OF SUPERLATIVES BY A WIDE VARIETY OF OUTSIDE OBSERVERS – FROM *FORBES* MAGAZINE, WHICH RECENTLY NAMED US THE NATION'S NUMBER-ONE TECH HOT SPOT AND THE SECOND-BEST CITY FOR JOB SEEKERS, TO THE KAUFFMAN FOUNDATION, WHICH RANKED US THE NUMBER-ONE CITY IN THE COUNTRY FOR PRODUCING AND ATTRACTING ENTREPRENEURIAL FOUNDERS OF COMPANIES, AND ALSO TO THE URBAN LAND INSTITUTE, WHICH SAID WE ARE THE SECOND-BEST MARKET IN THE COUNTRY FOR REAL-ESTATE INVESTMENT.

IT'S OBVIOUS TO LONGTIME RESIDENTS AND CASUAL OBSERVERS ALIKE THAT THE DISTRICT IS NOW A *BIG-LEAGUE CITY*.

LAST YEAR IN MY STATE OF THE DISTRICT ADDRESS, I LAID OUT A BOLD VISION TO MANAGE AND GROW OUR PROGRESS WITHIN A CONSTRUCTIVE AND COMPREHENSIVE FRAMEWORK. THROUGH

THE SUCCESSFUL CONVENING OF THE ONE CITY SUMMIT AND DEVELOPMENT OF THE ONE CITY ACTION PLAN, WE HAVE CREATED A COORDINATED ROADMAP TO GUIDE AND MEASURE OUR SUCCESS AS WE AGGRESSIVELY IMPLEMENT THAT VISION.

AS I'M SURE MANY OF YOU KNOW, ITS OVERARCHING GOALS ARE: TO GROW AND DIVERSIFY OUR ECONOMY, TO EDUCATE AND PREPARE OUR RESIDENTS FOR THE DISTRICT'S EMERGING NEW ECONOMY, AND TO IMPROVE THE QUALITY OF LIFE FOR ALL OF OUR RESIDENTS.

IN THE LAST TWO YEARS, WE HAVE MADE Z PROGRESS IN ALL OF THESE AREAS.

CLEARLY, WE HAVE BEEN PROVING OUR WORLD-CHAMPION CREDENTIALS BY GETTING OUR RESIDENTS BACK TO WORK AND GROWING AND DIVERSIFYING OUR ECONOMY:

THE DISTRICT'S UNEMPLOYMENT RATE HAS DECLINED BY NEARLY THREE FULL PERCENTAGE POINTS – FROM A HIGH OF 11.2 PERCENT IN JUNE 2011 TO 8.5 PERCENT TODAY.

MY ADMINISTRATION HAS WORKED HARD ON INNOVATIVE EFFORTS TO PUT D.C. RESIDENTS BACK TO WORK, LIKE

REFORMING THE DEPARTMENT OF EMPLOYMENT SERVICES INTO A TRUE WORKFORCE DEVELOPMENT AGENCY, AND

ESTABLISHING THE ONE CITY • ONE HIRE PROGRAM, THROUGH WHICH 5,300 PREVIOUSLY UNEMPLOYED D.C. RESIDENTS HAVE NOW GOTTEN JOBS WITH NEARLY 900 PARTICIPATING EMPLOYERS. AND THE LION'S SHARE OF PEOPLE WE'VE HELPED TO FIND WORK LIVE IN AREAS OF THE CITY WHERE UNEMPLOYMENT IS THE HIGHEST – WARDS 5, 7 AND 8.

NOW, WHILE WE'VE BEEN PUTTING OUR RESIDENTS BACK TO WORK, WE'VE ALSO BEEN THINKING HARD ABOUT WHERE THOSE JOBS ARE COMING FROM – AND EVEN MORE SO, WHERE THEY WILL COME FROM IN THE FUTURE.

LET THERE BE NO DOUBT: LOOMING FEDERAL BUDGET CUTS – WHETHER CAUSED BY SEQUESTRATION OR NOT – WILL HURT REGIONAL PUBLIC-SECTOR EMPLOYMENT, AND IT UNDERSCORES THE DISTRICT'S NEED TO CONTINUE AGGRESSIVELY DIVERSIFYING OUR ECONOMY.

IN RESPONSE, MY ADMINISTRATION HAS BEEN WORKING HARD TO LAY THE GROUNDWORK TO CREATE NEW JOBS IN THE DISTRICT THAT ARE NOT DEPENDENT ON THE FEDERAL GOVERNMENT OR FEDERAL CONTRACTING.

IN PARTNERSHIP WITH THE PRIVATE SECTOR, WE'VE DEVELOPED A BOLD FIVE-YEAR ECONOMIC DEVELOPMENT STRATEGY – THE FIRST COMPREHENSIVE ECONOMIC-DEVELOPMENT STRATEGY EVER CREATED BY THE DISTRICT GOVERNMENT.

THE GOALS ARE AMBITIOUS, BUT THEY ARE ACHIEVABLE: TO CREATE 100,000 JOBS AND \$1 BILLION OF NEW TAX REVENUE FOR THE DISTRICT OVER THE NEXT FIVE YEARS.

IMPLEMENTING OUR STRATEGY WILL DIVERSIFY OUR CITY'S ECONOMY BY GROWING ESTABLISHED AND EMERGING SECTORS LIKE HOSPITALITY, HEALTH CARE, AND TECHNOLOGY.

AND WE WILL DO IT BY WORKING TOGETHER WITH OUR BUSINESS LEADERS AS WELL AS OTHER IMPORTANT PARTNERS, LIKE OUR UNIVERSITIES, TO REALIZE OUR VISION OF CREATING THE LARGEST TECHNOLOGY CENTER ON THE EAST COAST AND BECOMING THE MOST BUSINESS-FRIENDLY JURISDICTION IN THE NATION.

NOW LET ME BE CLEAR: THIS WAS NOT A STRATEGY DOCUMENT DESIGNED TO SIT ON A SHELF.

BEFORE THE INK WAS EVEN DRY ON THE PLAN, WE HAD ALREADY BEGUN IMPLEMENTING MANY OF THE 52 INITIATIVES IT OUTLINES. IN FACT, WE HAVE IDENTIFIED 20 INITIATIVES FROM THE STRATEGY THAT WILL BE COMPLETED BY THIS SUMMER.

LATER THIS WEEK, WE WILL TAKE A MAJOR STEP FORWARD WHEN I APPOINT A BUSINESS REGULATORY REFORM TASK FORCE. THE TASK FORCE WILL BE CHARGED WITH SCOURING THE DISTRICT'S RULES AND REGULATIONS AND PROVIDING RECOMMENDATIONS ON HOW TO MAKE THE DISTRICT AN EASIER PLACE TO START AND GROW A BUSINESS AND CREATE JOBS.

WE'RE BOOSTING ECONOMIC DEVELOPMENT IN WAYS THAT ARE BOTH FAMILIAR AS WELL AS GROUNDBREAKING FOR THE DISTRICT.

IN THE LAST TWO YEARS, WE'VE MOVED FORWARD IN EVERY QUADRANT OF THE DISTRICT ON DOZENS OF MAJOR BRICKS-AND-MORTAR DEVELOPMENT PROJECTS THAT ARE CREATING THOUSANDS OF JOBS FOR D.C. RESIDENTS – INCLUDING PROJECTS THAT WERE STALLED FOR YEARS BEFORE I TOOK OFFICE.

IN FACT, WE CURRENTLY ARE EXPERIENCING A LEVEL OF DEVELOPMENT THAT IS UNPRECEDENTED IN OUR HISTORY. YOU CAN TELL SIMPLY BY COUNTING THE 55 CONSTRUCTION CRANES THAT CURRENTLY DOT OUR SKYLINE -- FROM CONGRESS HEIGHTS TO PETWORTH, AND FROM BROOKLAND TO GLOVER PARK.

FOR INSTANCE, WITHIN JUST A FEW BLOCKS OF WHERE WE ARE GATHERED NOW, TWO MAJOR, LONG-AWAITED DEVELOPMENT PROJECTS ARE MOVING ALONG RAPIDLY – CITYCENTERDC ON THE SITE OF THE OLD CONVENTION CENTER, AND THE CITYMARKET AT O PROJECT.

THESE PROJECTS ARE PROVIDING THOUSANDS OF CONSTRUCTION AND PERMANENT JOBS, NEW HOUSING THAT INCLUDES AFFORDABLE UNITS, AND NEW NEIGHBORHOOD AMENITIES.

MEANWHILE, AFTER YEARS OF SOME NEIGHBORHOODS WONDERING WHEN DEVELOPMENT WOULD EVER COME TO THEIR COMMUNITIES, RESIDENTS ARE FINALLY SEEING PROJECTS MOVE.

ON THE EAST CAMPUS OF ST. ELIZABETHS IN WARD 8, WE'RE BUILDING A MULTIPURPOSE GATEWAY PAVILION THAT WILL PROVIDE SPACE NOT ONLY FOR FOOD VENDORS TO FEED THE 3,700 EMPLOYEES WHO WILL WORK AT THE NEW COAST GUARD HEADQUARTERS OPENING THIS YEAR ON THE WEST CAMPUS, BUT ALSO SPACE FOR THE COMMUNITY TO HOLD EVENTS SUCH AS FARMERS' MARKETS. AND WE'RE IN TALKS WITH MAJOR ANCHOR FIRMS LIKE SMARTBIM, CITELLUM AND MICROSOFT FOR THE TECHNOLOGY CENTER WE ARE BUILDING THERE.

ON THE FORMER WALTER REED CAMPUS IN WARD 4, WE HAVE SUCCESSFULLY SUBMITTED A PLAN FOR REUSE OF THE SITE TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, WHICH IS A KEY COMPONENT OF OUR APPLICATION TO COMPLETE THE TRANSFER OF THE PROPERTY FROM THE FEDERAL GOVERNMENT TO THE DISTRICT. AND JUST LAST THURSDAY, WE RELEASED THE REQUEST TO ENGAGE A MASTER DEVELOPER FOR THE SITE.

AND, AFTER LANGUISHING FOR NEARLY TWO DECADES, DEVELOPMENT AT THE SKYLAND SHOPPING CENTER IN WARD 7 IS FINALLY BECOMING A REALITY. JUST A FEW MONTHS AGO, OUR ATTORNEY GENERAL'S OFFICE RESOLVED THE LAST REMAINING LAWSUIT OVER THE PROPERTY AND DEMOLITION BEGAN. AND, AFTER MANY UNSUCCESSFUL EFFORTS WITH OTHER RETAILERS, WE HAVE CONVINCED WALMART TO SERVE AS SKYLAND'S ANCHOR TENANT – ENSURING THE NECESSARY FINANCING FOR THE OVERALL DEVELOPMENT, WHICH WILL INCLUDE NEARLY 500 UNITS OF HOUSING AND RETAIL AND RESTAURANTS IN A VIBRANT COMMUNITY OTHERWISE STARVED FOR SUCH AMENITIES.

THESE ARE JUST SOME OF THE WAYS WE'RE MOVING FORWARD WITH DEVELOPMENT PROJECTS TO KEEP OUR ECONOMY GROWING AND DIVERSIFYING. BUT TO SOLIDIFY OUR PLACE AS A CHAMPIONSHIP-CALIBER CITY, WE CAN'T STOP THERE.

WE MUST WORK TO INCUBATE AND ENCOURAGE GROWTH IN WHOLE NEW INDUSTRIES.

WE'RE WORKING TO GROW OUR TECHNOLOGY SECTOR THROUGH THE TECH SECTOR ENHANCEMENT ACT, WHICH EXPANDS INCENTIVES FOR ENTREPRENEURS TO NURTURE, GROW, AND KEEP THEIR TECHNOLOGY STARTUPS RIGHT HERE IN THE DISTRICT.

AND WE'RE MOVING AGGRESSIVELY TO KEEP OUR FASTEST-GROWING COMPANIES HERE IN THE DISTRICT – BUT ONLY WHEN IT MAKES FINANCIAL SENSE FOR DISTRICT TAXPAYERS. FOR EXAMPLE, WE SUCCESSFULLY NEGOTIATED AN AGREEMENT TO PREVENT LIVINGSOCIAL, THE CITY'S LARGEST

TECH-SECTOR EMPLOYER, FROM LEAVING TOWN. BUT THE AGREEMENT WAS NO GIVEAWAY. THE PERFORMANCE-BASED LEGISLATION REQUIRES LIVINGSOCIAL TO MEET SPECIFIC AND AMBITIOUS HIRING GOALS FOR DISTRICT RESIDENTS BEFORE IT RECEIVES A SINGLE DIME OF BENEFIT FROM THE CITY.

THIS ULTIMATELY REDOUNDS TO THE BENEFIT OF BOTH THE DISTRICT AS WELL AS LIVINGSOCIAL -- EXACTLY WHAT TAX INCENTIVES ARE DESIGNED TO DO.

AND TONIGHT, I AM PLEASED TO ANNOUNCE THAT MY ADMINISTRATION IS PARTNERING WITH STARTUP AMERICA AND STARTUP DC TO LAUNCH 1776, A 15,000 SQUARE-FOOT SPACE ON 15<sup>TH</sup> STREET NW THAT WILL PROVIDE OUR LOCAL ENTREPRENEURIAL COMMUNITY WITH MEETING SPACE, TRAINING OPPORTUNITIES FOR TECH JOBS, AND AFFORDABLE OFFICES FOR STARTUPS.

THIS PROJECT IS NAMED 1776 BECAUSE IT IS REVOLUTIONARY IN NATURE – A COLLABORATIVE SPACE THAT WILL HELP US NURTURE AND INCUBATE IDEAS THAT BECOME SMALL DISTRICT COMPANIES THAT THEN GROW TO BECOME BIG DISTRICT COMPANIES.

AND 1776 WILL ALSO HELP US CREATE A PIPELINE OF TALENT FOR OUR GROWING TECH INDUSTRY BY EXPOSING DISTRICT YOUTH TO TECHNOLOGY OPPORTUNITIES AND BY TRAINING UNEMPLOYED D.C. RESIDENTS FOR TECH JOBS.

GEORGETOWN UNIVERSITY, GEORGE WASHINGTON UNIVERSITY, AND TECH COCKTAIL ARE ALSO PARTNERS IN THIS EXCITING NEW VENTURE.

I ALSO LOOK FORWARD TO FINDING WAYS TO CONTINUE DEVELOPING OUR EMERGING TECH SECTOR WHEN I MEET WITH TECH ENTREPRENEURS AND TECH JOURNALISTS AT THE SOUTH BY SOUTHWEST CONFERENCE NEXT MONTH IN AUSTIN.

NOW, WE'RE FOCUSED ON GROWING MORE THAN JUST OUR TECHNOLOGY SECTOR. WE'RE ALSO LEVERAGING THE NEWFOUND INTEREST AND TALENT THE DISTRICT'S GROWING FINE-DINING SCENE HAS ATTRACTED TO CREATE CULINARY INCUBATORS.

IN FACT, OUR FIRST CULINARY INCUBATOR, UNION KITCHEN, JUST OPENED IN NOMA IN THE FLORIDA AVENUE MARKET AREA. IT OFFERS 7,500 SQUARE FEET OF KITCHEN SPACE—FREEZERS, REFRIGERATORS, OVENS, AND EVERYTHING AN ASPIRING CHEF MIGHT NEED. AND I AM DELIGHTED BY THE PARTNERSHIP THAT UNION KITCHEN HAS ENTERED INTO WITH OUR DEPARTMENT OF EMPLOYMENT SERVICES TO TRAIN DISTRICT RESIDENTS TO DEVELOP KITCHEN AND FACILITIES-MANAGEMENT SKILLS. SOME OF THESE RESIDENTS WILL GO ON TO OPEN THEIR OWN FOOD BUSINESSES USING UNION KITCHEN FACILITIES.

WE'RE ALSO INCREASINGLY LOOKING BEYOND OUR OWN BORDERS TO FIND INVESTORS FOR THE DISTRICT – BECAUSE MUCH OF THE CAPITAL FOR INVESTMENT IN OUR CITY IS COMING FROM OUTSIDE THE UNITED STATES. FOR INSTANCE, WHEN DEVELOPERS OF CITYCENTER WERE HOBBLED BY THE TIGHT DOMESTIC CREDIT MARKET, THE GOVERNMENT OF QATAR STEPPED IN WITH AN INVESTMENT OF \$700 MILLION TO MAKE IT HAPPEN.

WE'VE LAUNCHED THE EXPORTDC PROGRAM THROUGH OUR DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT. IT HELPS CONNECT OUR DISTRICT COMPANIES AND PRODUCTS WITH NEW MARKETS OVERSEAS.

LAST YEAR, I TRAVELED TO CHINA, IN PART, TO LAUNCH THE D.C. CHINA CENTER IN SHANGHAI. THIS CENTER IS HELPING MARKET DISTRICT BUSINESSES AND PRODUCTS TO MASSIVE NEW AUDIENCES AND WILL ALSO ENCOURAGE CHINESE INVESTORS TO TAKE A CLOSER LOOK AT THE UNIQUE ADVANTAGES OUR CITY OFFERS.

AND LATER THIS YEAR I WILL TRAVEL TO QATAR TO CONTINUE DEVELOPING RELATIONSHIPS AND PROMOTING THE FLOW OF GLOBAL CAPITAL INTO THE DISTRICT.

THIS FOREIGN INVESTMENT TAKES ADVANTAGE OF THE FEDERAL GOVERNMENT'S EB-5 VISA PROGRAM THAT CREATES JOBS HERE IN THE UNITED STATES. IN THE PAST 18 MONTHS, \$55 MILLION HAS BEEN INVESTED IN THE DISTRICT THROUGH THIS INNOVATIVE PROGRAM, WITH MILLIONS MORE TO COME.

MAKE NO MISTAKE: MY ADMINISTRATION IS WORKING WITH THE FIERCE URGENCY OF NOW TO MAKE SURE THE DISTRICT'S ECONOMY CONTINUES TO GROW, DIVERSIFY, AND REACH NEW HEIGHTS – NO MATTER WHAT HAPPENS WITH SEQUESTRATION AND THE FEDERAL BUDGET.

BUT WE'RE NOT JUST PROVING OUR BIG-LEAGUE CREDENTIALS IN ECONOMIC DEVELOPMENT AND JOBS. WE'RE ALSO HITTING HOME RUNS WHEN IT COMES TO IMPROVING OUR QUALITY OF LIFE, ESPECIALLY IN THE AREA OF PUBLIC SAFETY.

LAST YEAR, THE DISTRICT HAD 88 HOMICIDES – DROPPING BELOW 100 FOR THE FIRST TIME IN DECADES AND THE LOWEST NUMBER OF MURDERS OUR CITY HAS SEEN IN 51 YEARS.

MOREOVER, THIS PLUMMET IN HOMICIDES COMES AT A TIME WHEN OUR POPULATION IS GROWING RAPIDLY. AND ALTHOUGH THE DISTRICT'S FALLING HOMICIDE RATE IS CONSISTENT WITH NATIONAL TRENDS, IT IS DROPPING AT A PACE *NEARLY 20 TIMES FASTER* THAN THE NATIONAL AVERAGE.

BUT WE AREN'T JUST MAKING MAJOR PROGRESS ON HOMICIDES. SOME OF YOU MAY RECALL THAT, AT THIS TIME A YEAR AGO, WE EXPERIENCED A DISTURBING INCREASE IN SMART-PHONE ROBBERIES – SOME OF THEM VIOLENT.

OUR PUBLIC-SAFETY TEAM WORKED WITH OUR REGIONAL AND FEDERAL PARTNERS – INCLUDING THE FEDERAL COMMUNICATIONS COMMISSION – WITH OTHER BIG-CITY POLICE COMMISSIONERS AND WITH THE MOBILE-PHONE INDUSTRY TO FIND WAYS TO DISRUPT THE FENCING OPERATIONS THAT WERE DRIVING THIS UPTICK IN THEFT.

ONE OF THE WAYS WE'VE DONE THIS IS TO REMOVE THE INCENTIVE FOR THESE THEFTS BY MAKING IT EASIER TO QUICKLY RENDER STOLEN SMART PHONES USELESS, THEREBY ELIMINATING THEIR BLACK-MARKET-RESALE VALUE.

IT IS NOW MUCH EASIER TO INCAPACITATE A STOLEN PHONE – OR, IN INDUSTRY PARLANCE, TO “BRICK IT” BY RENDERING IT AS USELESS TO CRIMINALS AS A BRICK. LAST YEAR WE LAUNCHED *BRICKIT.DC.GOV* – A QUICK AND EASY WAY FOR THEFT VICTIMS TO “BRICK” THEIR SMART PHONES. AND WE'RE SEEING RESULTS. IN THE FIRST QUARTER OF LAST YEAR, ROBBERIES HAD SPIKED BY 50 PERCENT COMPARED TO THE SAME PERIOD THE YEAR BEFORE. BUT, AFTER OUR CONCERTED EFFORT TO REDUCE SMART-PHONE THEFTS, BY THE END OF 2012 WE SAW ROBBERIES DROP TO ALMOST EXACTLY WHERE THEY WERE IN 2011 – DESPITE THE GROWING POPULATION.

WE'VE ALSO SEEN HOME RUNS IN OTHER IMPORTANT AREAS OF PUBLIC SAFETY – SUCH AS PRECIPITOUS DROPS IN THE NUMBERS OF DEATHS FROM TRAFFIC ACCIDENTS OVER THE LAST FEW YEARS.

THESE IMPROVEMENTS ARE DUE, IN PART, TO UNPRECEDENTED LEVELS OF COOPERATION ACROSS MULTIPLE PUBLIC-SAFETY AGENCIES AND COLLABORATIVE WORK WITH REGIONAL AND FEDERAL PARTNERS TO IMPROVE PUBLIC SAFETY.

WE NEED TO BUILD ON THESE IMPROVEMENTS – AND THAT IS WHY WE MUST HAVE A POLICE FORCE THAT IS AT FULL CAPACITY.

AS THE DISTRICT CONTINUES TO GROW NOT ONLY IN POPULATION, BUT ALSO IN LARGE EMPLOYMENT CENTERS AND BUSTLING ENTERTAINMENT DISTRICTS, WE WILL NEED MORE OFFICERS ON OUR STREETS. I WANT TO THANK THE COUNCIL FOR APPROVING THE FIRST 50 OFFICERS OF MY PLAN TO PUT 100 ADDITIONAL MPD OFFICERS ON THE STREETS AND BRING THE TOTAL FORCE TO 4,000.

CHAIRMAN MENDELSON, THANK YOU FOR YOUR SUPPORT ON THIS IMPORTANT ISSUE, AND I LOOK FORWARD TO WORKING WITH YOU AND THE REST OF THE COUNCIL TO BRING ABOARD THE ADDITIONAL 50 OFFICERS.

WE'RE ALSO PROVING OUR BIG-LEAGUE METTLE WHEN IT COMES TO EDUCATING OUR CHILDREN AND TRAINING OUR RESIDENTS FOR THE NEW ECONOMY.

AS A GAME CHANGER, WE'VE CONTINUED TO MAKE INVESTMENTS IN EARLY-CHILDHOOD EDUCATION, INCLUDING OPENING A MAJOR EDUCARE FACILITY IN WARD 7 LAST YEAR. THE DISTRICT IS NOW THE FIRST CITY IN AMERICA WHERE THERE ARE ENOUGH SEATS IN PUBLICLY-SUPPORTED EARLY-CHILDHOOD-EDUCATION PROGRAMS FOR ALL THREE- AND FOUR-YEAR-OLDS.

FURTHERMORE, AS TOUTED IN A D.C. ACTION FOR CHILDREN RESEARCH PAPER, OUR EARLY-EDUCATION INVESTMENTS ARE LEADING TO HIGHER PROFICIENCY LEVELS IN LATER GRADES. WE WILL CONTINUE TO FOCUS ON THIS IMPORTANT INITIATIVE AS WE EXPAND EARLY-CHILDHOOD EDUCATION ACROSS THE CITY.

AND WE'RE NOW AT OVER 80,000 STUDENTS ENROLLED IN OUR PUBLIC SCHOOLS – TRADITIONAL PUBLIC SCHOOLS AND CHARTERS COMBINED. THIS IS THE HIGHEST ENROLLMENT IN DISTRICT PUBLIC EDUCATION IN NEARLY 20 YEARS.

MOREOVER, ENROLLMENT IN PUBLIC EDUCATION IS *GROWING* AT A RATE WE HAVE NOT SEEN *IN 45 YEARS!*

BECAUSE THE QUALITY OF OUR EDUCATION FACILITIES IS A MEASURE OF THE VALUE WE PLACE ON OUR CHILDREN AND THE LEARNING THAT TAKES PLACE THERE, WE ARE CONTINUING TO INVEST HEAVILY IN THE MODERNIZATION OF OUR SCHOOLS.

SINCE I TOOK OFFICE, WE HAVE OPENED A BRAND-NEW H.D. WOODSON SENIOR HIGH SCHOOL ALONG WITH MODERNIZED ANACOSTIA AND WILSON SENIOR HIGH SCHOOLS AND TURNER AND MOTEN ELEMENTARY SCHOOLS. WE'RE ALSO CONSTRUCTING A NEW DUNBAR SENIOR HIGH SCHOOL THAT WILL BE READY NEXT SCHOOL YEAR AND HAVE UNVEILED THE BREATHTAKING DESIGN FOR A BRAND-NEW BALLOU SENIOR HIGH SCHOOL.

IN ADDITION, FULL MODERNIZATIONS OF CARDOZO SENIOR HIGH SCHOOL AND STUART-HOBSON MIDDLE SCHOOL ARE WELL UNDERWAY, AND WE COMPLETED PHASE 1 MODERNIZATIONS FOR AMIDON-BOWEN ELEMENTARY, BROOKLAND EDUCATION CAMPUS AT BUNKER HILL, BRUCE-MONROE AT PARKVIEW ELEMENTARY, KETCHAM ELEMENTARY, LASALLE-BACKUS EDUCATION CAMPUS, LECKIE ELEMENTARY, NALLE ELEMENTARY, AND ROSS ELEMENTARY.

AND WE ARE INITIATING THE TRANSFORMATION OF SPINGARN HIGH SCHOOL, WHICH IS, OF COURSE, LOCATED ALONG OUR NEW H STREET STREETCAR LINE. WE'RE TURNING IT INTO A CAREER TECHNICAL EDUCATION CAMPUS WITH A SPECIAL FOCUS ON TRANSPORTATION CAREERS. EVEN WHILE PUBLIC EDUCATION IS GROWING AND FAMILIES ARE EXCITED ABOUT THE NUMBER AND VARIETY OF OPTIONS AVAILABLE TO THEM THROUGHOUT THE DISTRICT, I HAVE HEARD PARENTS' AND FAMILIES' CONCERNS ABOUT HOW OUR TWO PARALLEL PUBLIC-EDUCATION NETWORKS MUST WORK TOGETHER TO CREATE HIGH-QUALITY SCHOOLS CLOSE TO HOME FOR ALL CHILDREN, AND CONCERNS ABOUT HOW TRADITIONAL SCHOOLS AND CHARTERS MUST COMPETE, BUT THEY ALSO MUST WORK TO COMPLEMENT EACH OTHER.

WE MUST TAKE SPECIAL NOTE THAT THE DISTRICT OF COLUMBIA IS THE FIRST EVER CITY TO HAVE A PUBLIC EDUCATION SYSTEM APPROACHING A 50-50 BALANCE IN ENROLLMENT BETWEEN TRADITIONAL PUBLIC SCHOOLS AND PUBLIC CHARTERS.

CERTAINLY THERE ARE STRENGTHS TO SUCH AN APPROACH. BUT THERE ARE ALSO CHALLENGES – CHALLENGES WITH WHICH NO CITY HAS YET GRAPPLED.

BUT GRAPPLE WE MUST. WE NEED AN APPROACH TO PUBLIC EDUCATION IN THE DISTRICT THAT CLARIFIES THE ROLES, RESPONSIBILITIES AND EXPECTATIONS OF BOTH OUR TRADITIONAL AND PUBLIC CHARTER SCHOOLS.

THAT'S WHY I HAVE BROUGHT TOGETHER MY EDUCATION CABINET TO DEVELOP A CITYWIDE VISION AND ROADMAP FOR PUBLIC EDUCATION.

WITH D.C. PUBLIC SCHOOLS, THE STATE SUPERINTENDENT OF EDUCATION, THE PUBLIC CHARTER SCHOOL BOARD, THE INTERIM DEPUTY MAYOR FOR EDUCATION, AND MY OFFICE, THIS WORK ALREADY HAS BEGUN. THE BLUEPRINT WE PRODUCE WILL ADDRESS OUR NEED:

TO EMPOWER FAMILIES TO UNDERSTAND AND ACCESS ALL ASPECTS OF OUR EDUCATION SYSTEM; TO PROMOTE EQUITY ACROSS OUR EDUCATION SECTORS SO THAT ALL CHILDREN, REGARDLESS OF WHICH SCHOOL THEY ATTEND, HAVE THE RESOURCES THEY NEED TO SUCCEED;

TO PLAN ACROSS OUR EDUCATION SECTORS IN A WAY THAT ENSURES ACCESS TO QUALITY EDUCATIONAL SEATS IN EVERY NEIGHBORHOOD; AND

TO DEVELOP A TRANSPARENT WAY TO HOLD DISTRICT GOVERNMENT LEADERS AND THEIR EDUCATION PARTNERS ACCOUNTABLE FOR THESE OUTCOMES.

YOU'LL HEAR MORE ABOUT THIS PLAN SOON.

A MAJOR-LEAGUE CITY ALSO INVESTS IN ADULT WORKFORCE READINESS FOR THE NEW ECONOMY.

WE HAVE ALREADY REVITALIZED THE WORKFORCE INVESTMENT COUNCIL WITH A BROAD ARRAY OF EXPERTS FROM THE PUBLIC, PRIVATE AND NON-PROFIT SECTORS. UNDER THE LEADERSHIP OF PNC BANK REGIONAL PRESIDENT MIKE HARRELD, THEY ARE COMING TOGETHER TO FIND PRACTICAL WAYS TO ENSURE OUR RESIDENTS ARE READY TO COMPETE FOR REAL JOBS.

BUT WE STILL NEED TO DO MORE TO GUARANTEE THAT THE PERCENTAGE OF DISTRICT RESIDENTS WHO FILL THE JOBS AVAILABLE IN THIS CITY GROWS BEYOND THE 30 PERCENT LEVEL WHERE IT CURRENTLY STANDS.

AND WE STILL FACE SIGNIFICANT DISPARITIES IN UNEMPLOYMENT BETWEEN PARTS OF OUR CITY EAST AND WEST OF THE ANACOSTIA RIVER.

TO THAT END, WE ARE MOVING FORWARD WITH THE CREATION OF THE D.C. WORKFORCE INTERMEDIARY, WHICH WILL COME ONLINE THIS SPRING. THE INTERMEDIARY WILL MAKE DIRECT CONNECTIONS BETWEEN EMPLOYERS IN OUR CONSTRUCTION, RETAIL AND HOSPITALITY INDUSTRIES WHO HAVE JOBS TO OFFER AND QUALIFIED DISTRICT RESIDENTS WHO NEED THEM.

WE WON'T REST UNTIL ALL OF OUR RESIDENTS WHO WANT A JOB HAVE ONE.

WE'RE ALSO SCORING RUNS WHEN IT COMES TO MAKING OUR GOVERNMENT WORK MORE EFFICIENTLY AND SERVING OUR RESIDENTS BETTER – AND I HAVEN'T SHIED AWAY FROM TAKING ON SOME OF THE LONG-STANDING PROBLEMS THAT MANY THOUGHT WERE INTRACTABLE OR SIMPLY TOO POLITICALLY RISKY TO TACKLE. AND IN MANY CASES, WE'VE IDENTIFIED OUTSIDE-THE-BOX SOLUTIONS BECAUSE WE TOOK THE TIME TO BRING PEOPLE TOGETHER, LISTEN, AND WORK CREATIVELY TO FIND A SOLUTION NEVER PREVIOUSLY CONSIDERED.

UNDER MY ADMINISTRATION, BY IMPROVING SERVICES TO SOME OF OUR MOST VULNERABLE RESIDENTS, WE'VE TAKEN BACK LOCAL CONTROL OF MANY GOVERNMENT FUNCTIONS THAT THE COURTS HAD IMPOSED FEDERAL MANAGEMENT OVER DECADES AGO – LIKE SERVICES TO SPECIAL-EDUCATION STUDENTS AND PEOPLE WHO ARE MENTALLY ILL. WE HAVE EITHER ENDED OR WE ARE, HOPEFULLY, VERY CLOSE TO ENDING THE *PETTIES*, *BLACKMON*, *DIXON*, *LASHAWN*, AND *EVANS* CASES.

IN THE *DIXON* LAWSUIT, WE HAD BEEN UNDER FEDERAL COURT OVERSIGHT FOR 37 YEARS! AND IN DECEMBER, THE INDEPENDENT COURT MONITOR OVERSEEING D.C.'S [CHILD-WELFARE SERVICES](#) IN THE *LASHAWN* LITIGATION FILED A REPORT THAT TOOK NOTE OF RAPID CHANGES THAT HAVE RESULTED IN A, QUOTE, "RENEWED FOCUS...ON POSITIVE OUTCOMES FOR CHILDREN, YOUTH AND FAMILIES," UNQUOTE.

WE'RE ALSO REFORMING OUR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM TO ENSURE THAT IT IS DOING EXACTLY WHAT IT WAS DESIGNED TO DO – ASSIST FAMILIES WHO ARE UNABLE TO STAND ON THEIR OWN WHILE ALSO HELPING THEM ACHIEVE THE DIGNITY OF SELF-SUFFICIENCY. IN JUST TWO YEARS, WE HAVE HELPED TRANSITION MORE THAN 3,300 PEOPLE FROM WELFARE TO WORK. WITH THE ADDITIONAL SUPPORTS PUT IN PLACE BY THE DEPARTMENT OF HUMAN SERVICES AND THE INCREASING JOBS AVAILABLE IN AN IMPROVING ECONOMY, THE PACE OF THOSE TRANSITIONS IS ACCELERATING. FOR INSTANCE, IN JUST THE FIRST THREE MONTHS OF THIS FISCAL YEAR, 550 PEOPLE TRANSITIONED FROM WELFARE TO WORK – VERSUS 1,642 IN THE ENTIRE 12 MONTHS OF THE PRIOR FISCAL YEAR.

WE'VE ALSO MADE SIGNIFICANT PROGRESS IN BUILDING THE CAPACITY OF OUR PUBLIC SCHOOLS TO SERVE THE EDUCATIONAL NEEDS OF CHILDREN WITH DISABILITIES. THIS HAS ALLOWED US TO REDUCE THE NUMBER OF THESE STUDENTS PLACED IN PRIVATE SCHOOLS BY 40 PERCENT – OR FROM 2,204 STUDENTS WHEN WE STARTED TO, NOW, FEWER THAN 1,400. THIS IS GOOD FOR THE DISTRICT'S BUDGET – SAVING TAXPAYERS TENS OF MILLIONS OF DOLLARS EVERY YEAR IN PRIVATE-SCHOOL TUITION – BUT EVEN MORE SO FOR STUDENTS WHO NO LONGER MUST ENDURE HOURS OF COMMUTES TO SCHOOLS FAR FROM THEIR HOMES. THEY ARE NOW ABLE TO JOIN THEIR PEERS IN TRADITIONAL PUBLIC AND CHARTER SCHOOLS RIGHT HERE IN THE DISTRICT.

WE'VE ALSO TACKLED OTHER LONG-IGNORED CHALLENGES – LIKE FINDING SOLUTIONS TO THE FLOODING PROBLEMS THAT, FOR DECADES, HAVE PLAGUED THE BLOOMINGDALE AND LEDROIT PARK NEIGHBORHOODS AFTER HEAVY RAINS.

AND, AFTER LAST SUMMER'S *DERECHO*, WE FORMED A TASK FORCE TO REDUCE POWER OUTAGES BY UNDERGROUNDING PEPCO LINES. THE TASK FORCE'S REPORT IS DUE EARLY NEXT MONTH.

WE'VE TACKLED HEAD-ON THE TASK OF REFORMING OUR TAXICAB SYSTEM TO MAKE IT MORE CONVENIENT, RESPONSIVE, AND SAFER FOR CUSTOMERS AND DRIVERS ALIKE. AND, YES – BY THIS SUMMER, YOU *WILL* BE ABLE TO USE CREDIT CARDS IN EVERY CAB!

WE'VE ALSO ATTACKED ANOTHER PROBLEM PRESENT SINCE THE DISTRICT'S FOUNDING – THE LACK OF DEMOCRACY AND SELF-DETERMINATION FOR OUR RESIDENTS.

I HAVE WORKED HARD AND IN A COLLEGIAL MANNER WITH CONGRESSWOMAN NORTON AND OTHER FRIENDS ON CAPITOL HILL TO FIND WAYS TO MOVE THE BALL DOWN THE FIELD ON ISSUES LIKE BUDGET AUTONOMY AND THE HEIGHT ACT.

I WANT TO THANK YOU, MR. PRESIDENT, FOR DISPLAYING OUR “TAXATION WITHOUT REPRESENTATION” LICENSE PLATES – BUT NOW IT IS TIME FOR US TO HAVE A LICENSE TO APPROVE OUR OWN BUDGET AND OUR OWN LOCAL LAWS.

AND WE’VE HAD REMARKABLE SUCCESS IN ATTACKING ONE OF THE BIGGEST PROBLEMS THIS CITY FACED WHEN I TOOK OFFICE TWO YEARS AGO: THE DISTRICT’S FINANCES.

WHEN I CAME INTO OFFICE, I INHERITED A RAINY-DAY FUND THAT HAD BEEN SPENT DOWN BY NEARLY HALF AFTER BEING REPEATEDLY RAIDED TO BALANCE THE BUDGET.

JUST TWO SHORT YEARS LATER, WE’VE POSTED TWO MAJOR END-OF-FISCAL-YEAR SURPLUSES IN A ROW – INCLUDING THE \$417 MILLION SURPLUS FROM FISCAL 2012 THAT WE ANNOUNCED LAST WEEK. AND WE’VE RESTORED THE DISTRICT’S FUND BALANCE TO A NEAR-HISTORIC HIGH OF \$1.5 BILLION DOLLARS.

HOW HAVE WE BROUGHT ABOUT THIS AMAZING TURNAROUND?

FIRST, WITH THE COOPERATION OF THE CFO AND THE COUNCIL, WE PASSED AND ADMINISTERED BUDGETS THAT WERE BALANCED *STRUCTURALLY* – MEANING WE SPEND ONLY WHAT WE TAKE IN. THIS MEANT WE HAD TO MAKE SOME TOUGH, PAINFUL BUDGET DECISIONS THAT WERE NOT ALWAYS POPULAR – BUT THEY HAVE PAID OFF.

AND WE’VE IMPLEMENTED AGGRESSIVE POLICIES THAT HAVE GROWN OUR ECONOMY BY CREATING JOBS AND INCREASING EMPLOYMENT.

THESE SURPLUSES MEAN THAT THE DISTRICT’S REPUTATION WITH THE WALL STREET BOND RATING AGENCIES CONTINUES TO IMPROVE, WHICH WILL BRING ABOUT REAL DIVIDENDS FOR US IN BOTH THE SHORT TERM AS WELL AS THE LONG TERM.

I WANT TO THANK DR. NATWAR GANDHI, OUR CHIEF FINANCIAL OFFICER, FOR HIS SIGNIFICANT, MAJOR ROLE IN THE DRAMATIC TURNAROUND WE’VE EXPERIENCED IN THE DISTRICT’S FINANCIAL HEALTH IN THE 15 YEARS SINCE HE JOINED D.C. GOVERNMENT. DR. GANDHI, WE RESPECT YOUR RECENT DECISION TO RETIRE, AND WE AND THANK YOU FOR ALL THAT YOU HAVE DONE FOR THE DISTRICT AND OUR RESIDENTS. SIR, YOU WILL BE MISSED.

NOW, I UNDERSTAND THERE IS A TEMPTATION TO SPEND THIS HARD-EARNED SURPLUS – BUT WE ARE REQUIRED BY A LAW, PASSED UNANIMOUSLY BY THE COUNCIL, TO DEPOSIT IT INTO THE FUND BALANCE. AND IT IS ALSO THE RIGHT THING TO DO TO PROTECT OUR LONG-TERM FISCAL HEALTH FOR THE FUTURE.

BUT, EVEN THOUGH THE 2012 SURPLUS MUST GO IN THE BANK, THE SAME ECONOMIC FORCES THAT PRODUCED IT ARE STILL AT WORK.

WE'VE LOOKED AT THE NUMBERS AND REACHED SOME CONCLUSIONS WITH WHICH THE CFO'S OFFICE HAS NOT DISAGREED – AND I BELIEVE THAT, WHEN DR. GANDHI RELEASES REVISED REVENUE PROJECTIONS FOR THE CURRENT AND NEXT FISCAL YEAR LATER THIS MONTH, WE WILL SEE A "PROSPERITY DIVIDEND" MATERIALIZE – A DIVIDEND THAT I INTEND TO INVEST IN SOME STRATEGIC INITIATIVES THAT ADVANCE IMPORTANT GOALS FOR THE DISTRICT.

I'M PROUD OF WHAT WE'VE BEEN ABLE TO ACCOMPLISH OVER THE LAST TWO YEARS, AND I HOPE THAT YOU ARE AS WELL. BUT, WHILE WE CELEBRATE, WE MUST ALSO BE SOBER AND CLEAR-EYED IN REALIZING THAT OUR PROSPERITY GIVES US AN UNPRECEDENTED OPPORTUNITY TO MAKE A GREAT CITY EVEN GREATER.

AS WE WORK TO BUILD A NEW ECONOMY, AGGRESSIVELY PREPARE OUR RESIDENTS FOR THE JOBS OF TOMORROW, AND MAKE IMPROVEMENTS THAT WILL BENEFIT THE OVERALL QUALITY OF LIFE, THERE ARE ADDITIONAL IMPORTANT INVESTMENTS WE MUST MAKE.

THIS INCLUDES INVESTING IN THE VERY THING THAT HAS MADE US SUCH AN ATTRACTIVE PLACE FOR NEW RESIDENTS AND NEW PRIVATE INVESTMENT – AND THAT, OF COURSE, IS OUR DIVERSITY. WE ONCE WORRIED ABOUT THE DISTRICT BECOMING A CITY OF "HAVES" AND "HAVE-NOTS." BUT NOW WE ARE INCREASINGLY IN DANGER OF BECOMING A CITY OF ONLY "HAVES."

BUT EVERYONE DESERVES TO BENEFIT FROM OUR PROSPERITY – INCLUDING:

THE SENIORS WHO HAVE PAVED THE WAY FOR THAT VERY SUCCESS;  
THOSE IN OUR WORKFORCE -- LIKE POLICE OFFICERS, FIREFIGHTERS, AND TEACHERS;  
AND A TRULY PROSPEROUS AND SUCCESSFUL CITY DOES NOT FORGET ITS MOST VULNERABLE RESIDENTS, LIKE PEOPLE WHO ARE HOMELESS AND THOSE WITH DISABILITIES.

THIS INVESTMENT MEANS WE *MUST* PRESERVE AND EXPAND AFFORDABLE HOUSING.

TO BE CLEAR, I AM NOT NEW TO THIS ISSUE. IN FACT, I HAVE WORKED ON ONE OR ANOTHER FACET OF HOUSING THROUGHOUT MY ENTIRE CAREER.

LAST YEAR I FORMED A COMPREHENSIVE HOUSING STRATEGY TASK FORCE, CHARGED WITH CREATING A PLAN TO HELP US TACKLE THIS PROBLEM – AND I EAGERLY ANTICIPATE THEIR REPORT, WHICH WILL BE ISSUED LATER THIS MONTH. I KNOW THE REPORT WILL HELP INFORM AND GUIDE OUR EFFORTS.

AND SINCE COMING INTO OFFICE, MY ADMINISTRATION HAS COMPLETED THE CONSTRUCTION OF NEARLY 1,500 UNITS OF AFFORDABLE HOUSING AND BROKEN GROUND ON AN ADDITIONAL 1,700 UNITS. LAST SEPTEMBER, I ANNOUNCED \$35 MILLION IN FINANCING TO CREATE AND PRESERVE ADDITIONAL AFFORDABLE HOUSING.

BUT WE HAVE TO DO MORE.

AND THAT'S WHY TONIGHT I'M PROPOSING A MAJOR AFFORDABLE-HOUSING INITIATIVE THAT WILL INVEST \$100 MILLION IN BUILDING AND PRESERVING 10,000 UNITS OF AFFORDABLE HOUSING. THIS INVESTMENT, ON TOP OF OUR EXISTING AND OTHER PLANNED AFFORDABLE HOUSING INVESTMENTS, WILL GO A LONG WAY TOWARDS ENSURING WE REMAIN THE TYPE OF COMPASSIONATE, INCLUSIVE CITY WE WANT TO BE.

ANOTHER AREA WHERE I THINK WE NEED TO INVEST IS IN THE CRITICAL ROLE OUR CITY'S NON-PROFITS PLAY IN IMPROVING THE QUALITY OF LIFE FOR OUR RESIDENTS. WHETHER IN THE AREA OF EDUCATION, JOB TRAINING, HOMELESSNESS, HEALTH, SENIORS, THE ARTS, PUBLIC SAFETY, OR THE ENVIRONMENT, OUR CITY'S VIBRANT NON-PROFIT COMMUNITY MAKES A DIFFERENCE IN THE LIVES OF TENS OF THOUSANDS OF OUR RESIDENTS EVERY DAY.

SOME YEARS AGO, I LED THE EFFORT TO ELIMINATE EARMARKS. PUTTING IN PLACE THAT PROHIBITION WAS THE RIGHT THING TO DO THEN AND IT REMAINS THE RIGHT THING TO KEEP IN PLACE NOW.

BUT AT THE SAME TIME, WE SHOULDN'T THROW THE BABY OUT WITH THE BATH WATER.

THAT IS WHY I AM PLEASED TO ANNOUNCE THAT IN THE FISCAL YEAR 2014 BUDGET THAT I WILL TRANSMIT TO THE COUNCIL IN MARCH, I WILL PROPOSE THE ESTABLISHMENT OF THE ONE CITY FUND, A \$15 MILLION INVESTMENT FUND THAT WILL ALLOW NON-PROFITS TO COMPETE OPENLY AND TRANSPARENTLY FOR ONE-YEAR GRANTS OF UP TO \$100,000 FOR PROJECTS THAT ADVANCE KEY GOALS I HAVE ESTABLISHED FOR OUR CITY:

GROWING AND DIVERSIFYING OUR ECONOMY;

EDUCATING OR PREPARING OUR RESIDENTS FOR THE EMERGING NEW ECONOMY;

INCREASING OUR CITY'S SUSTAINABILITY; OR

IMPROVING THE QUALITY OF LIFE FOR OUR RESIDENTS

WHEN WE SHARE DETAILS OF THE PLAN LATER THIS SPRING WE WILL FULLY EXPLAIN THE SAFEGUARDS THAT WILL BE PUT IN PLACE TO ENSURE THAT ORGANIZATIONS THAT ARE AWARDED GRANTS GET THEM FOR WHAT THEY DO AND HOW WELL THEY DO IT -- NOT WHO THEY KNOW.

WE MUST ALSO BE MINDFUL OF OUR GOVERNMENT WORKFORCE – THE PEOPLE WE CALL ON AGAIN AND AGAIN TO MAKE SURE OUR CITY RUNS PROPERLY.

THEY ARE THE PEOPLE WHO WORKED FLAWLESSLY DURING THE RECENT INAUGURAL – OR LAST YEAR WHEN WE WERE HIT BY THE *DERECHO* AND THEN AGAIN BY HURRICANE SANDY. THEY GET THE SNOW OFF OUR STREETS, KEEP US SAFE, RESPOND TO EMERGENCIES, PICK UP THE TRASH, GET OUR CHILDREN SAFELY TO SCHOOL, AND SO MANY OTHER JOBS THAT CONTRIBUTE IMMEASURABLY TO THE QUALITY OF OUR LIVES.

NONETHELESS, IN MOST CASES, THE DEDICATED PUBLIC SERVANTS WHO MAKE UP OUR WORKFORCE HAVE NOT HAD RAISES IN YEARS – FOR SOME, NEARLY SEVEN YEARS.

TONIGHT, I AM PROPOSING THAT WE MAKE THIS RIGHT, BY GIVING RAISES AND REACHING NEW WORK AGREEMENTS UPDATED TO MEET THE DEMANDS OF A 21<sup>ST</sup>-CENTURY GOVERNMENT AND A 21<sup>ST</sup>-CENTURY WORKFORCE.

ALTHOUGH MANAGEMENT AND LABOR WILL NOT SEE EYE-TO-EYE ON EVERYTHING, IT IS FAR BETTER TO VIEW LABOR RELATIONS AS A WIN-WIN PROPOSITION RATHER THAN A ZERO-SUM GAME. SINCE I TOOK OFFICE, WE'VE WORKED COLLABORATIVELY WITH LABOR TO RE-ESTABLISH AND EXPAND THE LABOR MANAGEMENT PARTNERSHIP COUNCIL WITH A FOCUS ON TWO KEY GOALS: IMPROVING CUSTOMER SERVICE FOR RESIDENTS AND BOOSTING EMPLOYEE MORALE. NEXT WEEK, WE WILL ADOPT A STRATEGIC PLAN THAT WILL GUIDE OUR WORK TOGETHER OVER THE NEXT SEVERAL YEARS.

SIMULTANEOUSLY, I WANT TO DO EVERYTHING WE CAN TO ENSURE THAT WE CONTINUE TO IMPROVE THE EFFICIENCY, EFFECTIVENESS AND TRANSPARENCY IN THE WAY OUR GOVERNMENT SERVES ITS CITIZENS.

LAST YEAR, WE LAUNCHED GRADE.DC.GOV – AN INNOVATIVE WAY FOR GOVERNMENT TO LISTEN TO ITS RESIDENTS TO ENSURE GOVERNMENT AGENCIES PROVIDE THE BEST CUSTOMER SERVICE POSSIBLE.

RECENTLY, *THE WALL STREET JOURNAL* AND THE NATIONALLY-RESPECTED *GOVERNING* MAGAZINE PROFILED GRADE.DC.GOV, HAILING IT AS A GROUNDBREAKING INITIATIVE FOR IMPROVING THE WAY LOCAL GOVERNMENT DELIVERS SERVICES.

JUST TODAY, WE ADDED FIVE MORE AGENCIES TO THE GRADE.DC.GOV PROGRAM, BRINGING TO 15 THE NUMBER OF DISTRICT AGENCIES THAT NOW ARE RATED.

BUT, TO EXPAND ON THESE EFFORTS TO IMPROVE ACCOUNTABILITY, WE MUST TAKE ON ANOTHER MAJOR, LONG-STANDING CHALLENGE FOR OUR GOVERNMENT: THE WAY THE DISTRICT PURCHASES GOODS AND SERVICES.

NO ONE LIKES THE STATUS QUO – NOT THE BUSINESSES AND NON-PROFITS WHO MUST NAVIGATE OUR CURRENT SYSTEM’S BYZANTINE RULES AND REQUIREMENTS, NOT THE GOVERNMENT EMPLOYEES WHO LIVE IN FEAR OF ACCIDENTALLY CREATING AN OPENING FOR A LOSING COMPANY TO FILE AN OTHERWISE MERITLESS PROTEST, NOR THE RESIDENTS WHO EXPERIENCE SOMETIMES-ABSURD DELAYS IN PROJECTS FROM WHICH THEY WOULD BENEFIT. THIS MUST END.

THAT’S WHY TONIGHT I AM ANNOUNCING THAT WE WILL TACKLE PROCUREMENT REFORM. THIS REFORM INITIATIVE WILL STREAMLINE OUR PURCHASING AND CONTRACTING PRACTICES, ELIMINATE CONFUSING AND OUTDATED RULES, INCREASE FAITH IN THE PROCESS WHILE MINIMIZING MERITLESS PROTESTS, AND REDUCE THE TIME IT TAKES TO COMPLETE PROCUREMENTS.

MR. CHAIRMAN, I KNOW THIS IS A PRIORITY FOR YOU AS WELL, AND I LOOK FORWARD TO WORKING WITH YOU ON IT IN ORDER TO MAKE THIS HAPPEN.

MY FELLOW WASHINGTONIANS, IF WE ARE TO ENSURE THAT THE DISTRICT OF COLUMBIA REMAINS A BIG-LEAGUE CITY AND WINS THAT ELUSIVE CHAMPIONSHIP, WE MUST SEIZE THIS MOMENT AND DO EVERYTHING POSSIBLE TO SECURE THE LONG-TERM HEALTH OF OUR CITY. AND THAT MEANS CONTINUING TO TACKLE THE DIFFICULT CHALLENGES THAT ARE BEFORE US.

I AM CONFIDENT THAT WE CAN ACHIEVE ALL OF THESE THINGS AND MORE.

AFTER ALL, JUST A DECADE AGO, WHO WOULD HAVE GUessed THAT BY 2013 THE DISTRICT OF COLUMBIA WOULD HAVE GAINED MORE THAN 60,000 NEW RESIDENTS? AND EVEN FIVE YEARS AGO, WHO WOULD HAVE GUessed THAT OUR ANNUAL HOMICIDE TOTAL WOULD BE FEWER THAN 100; THAT PUBLIC EDUCATION WOULD BE GROWING IN ENROLLMENT, DIVERSITY, AND QUALITY; AND THAT WE’D HAVE A BUDGET SURPLUS AND A RAINY-DAY FUND BALANCE NEAR RECORD HIGHS? LET ME SHARE WITH YOU WHAT I ENVISION FOR OUR CITY: I ENVISION THAT, IN THE NOT-SO-DISTANT FUTURE:

WE WILL HAVE THE BEST PUBLIC SCHOOLS IN THE COUNTRY;

WE WILL HAVE A DIVERSIFIED ECONOMY NO LONGER HUGELY DEPENDENT ON THE FEDERAL GOVERNMENT;

THERE WILL BE A JOB FOR EVERY DISTRICT RESIDENT WHO WANTS ONE, AND ALL DISTRICT RESIDENTS WILL HAVE THE SKILLS TO COMPETE;

OUR RESIDENTS WILL LIVE MORE SAFELY, MORE HEALTHILY, AND MORE SUSTAINABLY;  
AFFORDABLE HOUSING WILL BE SPREAD ACROSS ALL EIGHT OF OUR WARDS – ENOUGH TO ENSURE  
THAT THE DISTRICT CONTINUES TO ENJOY A RICH DIVERSITY OF PEOPLE, CULTURES, OCCUPATIONS,  
AGES, AND INCOMES; AND

THE DISTRICT OF COLUMBIA WON'T EVEN BE THE DISTRICT OF COLUMBIA ANYMORE – BECAUSE IT  
WILL BE THE STATE OF NEW COLUMBIA!

JOIN ME IN MAKING THIS VISION A REALITY!

THANK YOU, AND GOOD NIGHT!